

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re	: Chapter 11 Case No.
	:
LEHMAN BROTHERS HOLDINGS INC., <i>et al.</i> ,	: 08-13555 (JMP)
	:
Debtors.	: (Jointly Administered)
	:
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**FIRST SUPPLEMENTAL DECLARATION OF CAROLYN H. ROSENBERG ON
BEHALF OF REED SMITH LLP RELATED TO THE EMPLOYMENT AND
RETENTION OF REED SMITH LLP, AS SPECIAL COUNSEL TO THE DEBTORS**

I, Carolyn H. Rosenberg, declare the following to be true under penalty of perjury:

1. I am a member of the firm Reed Smith LLP ("Reed Smith" or the "Firm"), and am duly authorized to make this declaration (the "Declaration") on the Firm's behalf.
2. Reed Smith has been employed and retained by Lehman Brothers Holdings, Inc. ("LBHI") to serve as special insurance coverage counsel, and to evaluate and advise LBHI and its affiliated debtors in the above-referenced chapter 11 cases (collectively, the "Debtors") with respect to directors' and officers' liability ("D&O") insurance coverage. *See, Order Pursuant to Section 327(e) of the Bankruptcy Code Authorizing the Employment and Retention of Reed Smith LLP, as Special Counsel to the Debtors* [Docket 10343].
3. The scope of Reed Smith's retention is detailed more fully in the Application of the Debtors Pursuant to Section 327(e) of the Bankruptcy Code and Rule 2014 of the Federal Rules of Bankruptcy Procedure for Authorization to Employ and Retain Reed Smith LLP, as Special Counsel to the Debtors [Docket No. 9722] (the "Retention Application").
4. In connection with the Retention Application, I submitted the Declaration of Carolyn H. Rosenberg on Behalf of Reed Smith LLP in Support of Debtors' Application for

Authorization to Employ and Retain Reed Smith LLP, as Special Counsel to the Debtors (the “Original Declaration”), which was attached to, and filed with, the Retention Application as Exhibit A.

5. In the Original Declaration, I disclosed that Reed Smith intends to accept engagements from other Parties in Interest (as that terms is defined in the Original Declaration), but will not undertake a representation in which the client would be adverse to the Debtors with respect to the insurance matters for which the Firm is to be retained. *Original Declaration*, ¶ 15.

6. Subsequent to the execution of the Original Declaration, Reed Smith became aware that existing Reed Smith client, Euromonitor International (“Euromonitor”), had been served with a preference demand letter by James W. Giddens (the “Trustee”), not individually, but in his capacity as the Trustee appointed pursuant to the Securities Investor Protection Act of 1970, as amended (the “SIPA”), for Lehman Brothers, Inc. (“LBI”).

7. The claims asserted by the Trustee against Euromonitor arise in a circumstance involving LBI, which I understand is not a chapter 11 debtor but is, instead, involved in the proceeding under the SIPA.

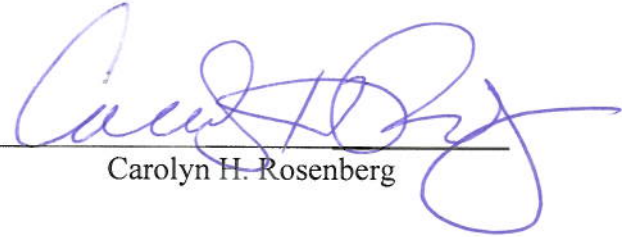
8. Reed Smith’s representation of Euromonitor is not adverse to the Debtors or the estate with respect to the matters for which Reed Smith has been retained by the Debtors.

9. Pursuant to this first supplemental declaration, Reed Smith supplements the list of clients which Reed Smith advises in connection with the Debtors’ chapter 11 cases (collectively, the “Reed Smith Clients”) to include Euromonitor. A revised list of Reed Smith Clients is attached hereto as Schedule 1.¹

¹ With the exception of Euromonitor, all Reed Smith Clients listed on Schedule 1 were included in the list of Reed Smith Clients attached to the Original Declaration as Schedule 3.

I declare under penalty of perjury that the foregoing facts set forth in this declaration are true and correct to the best of my knowledge, information, and belief.

Dated: August 31, 2010



Carolyn H. Rosenberg

Schedule 1

List of Clients that Reed Smith advises in Connection with the Debtors' Chapter 11 Cases
(NOTE: This list does not include engagements that have been completed)

Client Represented in LBHI Bankruptcy or related matter	Description of Representation
Allianz Investments Management Italia SPA	Dispute regarding an ISDA Master Agreement with LBIE involving UK law
Banca CR Asti SPA and Cassa Di Risparmio Asti	Proofs of claim arising out of a multi-currency cross border swap agreement
Bank of New York	Represent BNY Corporate Trustee Services in litigation with Lehman Brothers Special Financing Inc. regarding enforceability of market-standard provisions in structured finance transactions that subordinate swap termination payments upon a swap counterparty default when the default is due to the bankruptcy of the counterparty or the holding company of the counterparty.
Bank of New York	Represent indenture trustee in connection with certain certificates issued by a vehicle created by Lehman Brothers. The client has claims against Lehman and a third party insurer; represent trustee in connection with default; represent trustee in connection with termination of agreement with Lehman; prepare proof of claim forms in Lehman Brothers Bankruptcy; advise client in connection with UK repacks and other debt issues; represent trustee in connection with defaulted CDO (collateralized debt obligation) (NOTE: The third party insurer is not among the identified insurers that would be the subject of Reed Smith's appointment)
Boulton (Vasteras) AB and Boulton (Uppsala) AB	Termination of Lehman's SWAP relating to Acquisition of Multi-Center, Vasteras and St Per, Uppsala
China Strategic Investment Ltd.	Advise China Strategic Investment Limited generally on interpretation of terms of CBs issued to Lehman Brothers Commercial Corporation Asia limited

CIMB-GK Securities Pte Ltd.	Claim against Lehman Brothers Securities Asia Limited (In liquidation)
Essent Trading International SA	Advice on close out notices
Euromonitor International	Advice and representation in respect of the preference demand letter served by James W. Giddens in his capacity as a Trustee appointed pursuant to the Securities Investor Protection Act of 1970, for Lehman Brothers, Inc.
FED-ALL Federated Funds	Counsel re futures contracts transfer, settlement of repurchase agreements, and trade failures
Fondazione CARIPARO	Assignment of claims notices with respect to the bankruptcy case of LBSF
Guidance Green Terrain Enhanced Fund, LLC	Breach of contract claims against Lehman Brothers Special Financing under a security agreement, and against Lehman Brothers Holdings Inc under a guaranty.
Hindle, Leon	Lehman Brothers Asia Limited - Securities Regulatory Matter: Section 182(1) Investigation
Intesa Sanpaolo SPA	We represent the bank in connection with its claims against the Lehman bankruptcy estate. Our client initially retained us to file a proof of claim but the debtor devised a process by which the client was not required to file a proof of claim in order to be entitled to assert a claim against the Lehman estate. We have been monitoring the docket and periodically answer questions from the bank relating to its claim, including the priority of its claim vis a vis other creditors
Janus Capital Management LLC	We advised Janus Capital Management LLC in connection with its response to two (2) claims determinations made by the SIPA Trustee in the SIPA proceeding of debtor Lehman Brothers Inc. We prepared objections responding to those determinations and filed the same with the Bankruptcy Court
Lifestyle International Holdings Limited	RS acts for Lifestyle which has offered to make an investment in EganaGoldfeil to rescue it. LB is just one of the 40+ creditors of EganaGoldfeil
Mirabaud Securities LLP	Share settlement dispute with seller arising from

	Lehman default
Nigel Sloam & Co.	Advice and representation in respect of notes issued for clients' customers
Northwest Mutual Life Insurance	Advise as to rights and interests as a creditor in the related U.S. Lehman bankruptcy proceedings
Pacific Coast Bankers Bank - (2 Matters)	Advice regarding an existing interest rate swap with two Lehman Brothers entities; assist client with the Lehman Bankruptcy Proceedings
RP3 Prosperity SPA a/k/a YARPA Investimenti SGR SPA	Dispute over bank debt purchase from LCPI
State of Hawaii	Represent Hawaiian State pension fund in the Lehman Brothers Holdings, Inc. Chapter 11 case and the SIPA liquidation of Lehman Brothers, Inc.
Trafigura Derivatives Ltd.	Termination of ISDA
Uniqa Versicherung AG	Advice with respect to noteholder position
University of Pittsburgh - (2 Matters)	Termination of Lehman swaps and filing an objection in Bankruptcy Court; Lehman ADR Procedures